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C O N F I D E N T I A L SECTION 01 OF 03 KYIV 001326

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TAGS: PGOV PREL UP

SUBJECT: UKRAINE: RADA CONTINUES TO DRAG HEELS WHILE  
LEADERS NEGOTIATE

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Classified By: DCM Sheila Gwaltney for reasons 1.4(a,b,d).

¶1. (C) Summary. Despite frequent meetings between President Yushchenko, PM Yanukovych, Speaker Moroz, and opposition leader Tymoshenko, the Rada has so far failed to approve the legislation needed to enable early elections on September 30, as agreed to in the May 27 compromise. Many MPs attribute this turn of events to Moroz's growing panic that new elections will remove the Socialists from the political scene, although Regions so far appears not to have exerted much effort to deliver votes. The key leaders met again early on May 31, apparently agreeing to start the Rada's day with a fast-tracked vote on budget amendments to finance the elections; Yushchenko amended his decree authorizing a third day of Rada deliberations. However, Moroz and Communist leader Symonenko pushed through a proposal to vote on just a first reading of the budget changes necessary to finance pre-term elections, with Moroz suggesting the final reading take place June 1. Yushchenko, on a previously unannounced day trip to Croatia, responded from Zagreb with an ultimatum--either the Rada finished the election-related work May 31 or he would set the election date for 60 days from the date that opposition deputies submit their resignations to their factions, thereby depriving the Rada of a quorum. The Rada reopened at 1600 hours without Moroz--who was still in a meeting with faction leaders, Yanukovych, and Azarov--with a fast-tracked procedure on WTO legislation that had already resulted in nine new laws out of ten on the day's agenda adopted as of 1800 hours. The Rada also voted to continue working until 2000.

¶2. (C) Comment. BYuT and Regions MPs with whom we spoke May 31 agreed that the Rada's slow creep on needed legislation was the sign of a flailing Moroz looking to derail elections. If Regions has withdrawn an offer to include Moroz and his colleagues on a joint list, as BYuT MP Shevchenko claimed to us, the Socialists would not likely return to a new Rada. So far, Moroz has managed to slow the legislative process by calling frequent and long breaks, while his Socialist and Communist colleagues harangue the idea of early elections. With an agenda that included not only the election financing, but votes on a new Central Election Commission composition, amendments to the parliamentary election law, and 10 new WTO bills, finishing the task by midnight May 31 will be daunting. However, it is still possible if there is sufficient political will. Budget Chair Makeyenko (Regions) told us that he had a signal last night to finish the election financing today, but comments on the floor and in the halls indicated that the level of distrust between the Regions and the opposition is so high that neither side is comfortable committing to an end game position, with Moroz' Socialists and Communists eager to play spoiler roles. End summary and comment.

¶ 13. (SBU) After a stormy late afternoon Rada session on May 30, which addressed issues not discussed in the morning meeting between Yushchenko, Yanukovych, Moroz, and Tymoshenko, opposition MPs walked out of the session hall, and Yushchenko convened another high level working session at the Presidential Secretariat. Tymoshenko, speaking to reporters later that night, expressed optimism that the evening dialogue between President and PM had put the process back on track and the Rada would move forward in a late night session on agreed-upon legislation. In addition, media reports indicated that Yushchenko and Yanukovych might have reached an agreement on resolving fight over the Prosecutor General's Office (PGO) by restoring former PG Medvedko to his position and making Yushchenko's preferred candidate Shemchuk the First Deputy PG with responsibility for investigations.

But Rada Fails to Act

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¶ 14. (SBU) However, the Rada failed to pass any legislation in another acrimonious session starting at 2230 hours. The Rada debated and voted on pairs of draft proposals from the coalition and opposition on two issues: special procedures to appeal acts by the President, PM, and Rada, and imperative mandate for MPs. No bill received the necessary 226 votes needed to pass, as the Socialists seemed to play a particularly unhelpful role. Our Ukraine MPs walked out of the session exactly at midnight in accordance with the terms of Yushchenko's May 29 decree--which gave the Rada until the end of May 30 to act, although BYuT stayed in the hall to participate in the final votes. Moroz then closed the session at 0015.

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New Day, Same Story

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¶ 15. (SBU) May 31 opened with another unpublicized closed-door pow-wow between Yushchenko, Yanukovych, Tymoshenko, Moroz--this time with the faction leaders, according to BYuT MP Shevchenko. This meeting agreed that the Rada would start its morning session with a debate and a vote on budget amendments to provide financing for new Rada elections, Shevchenko added. At 10:00--with Yushchenko off on a surprise one-day trip to Croatia--Moroz opened the session with presentations from MinFin Azarov and Budget Committee Chairman Makeyenko. Azarov, reportedly not a fan of new elections, tried to raise other issues besides the election-related expenditures, much to the annoyance of opposition MPs. Makeyenko announced that the elections would cost 360 million UAH, which would be funded via VAT receipts, which he said were up 54% this year. He also suggested that the Rada combine all three readings of the bill into one vote, so that it could be passed quickly.

¶ 16. (SBU) Socialist and Communist MPs immediately attacked the election financing proposal, arguing that it was impossible to finance elections that still have no legal basis, and that using the money in this manner was harming Ukraine's peasants, who could better use the government's financial support. Symonenko suggested that the Rada only hold a first reading that day--instead of the fast-tracked "three readings-in-one" vote proposed by Makeyenko. Moroz seconded the opinion, suggesting that after the first reading, all factions should send suggestions to the Budget Committee and the Rada should hold a second reading June 1. The first reading passed with 386 votes in favor. (Note: it requires at least one more reading).

¶ 17. (SBU) The Rada recessed until 1600 hours so that a new high-level working group--the PM, Speaker, and faction

leaders--could try to work through remaining differences. First Deputy Speaker Martynyuk (Communist) chaired the afternoon session with the announcement that no election-related bills could be discussed until Azarov and Moroz returned from their meeting. Instead, the Rada began with a debate on WTO legislation in a fast-track procedure which allowed only two comments in favor and two against each bill before a single vote (as opposed to the normal three readings). As of 1800, nine laws out of ten on the day's agenda had been approved, with one more under consideration. The Rada also voted to keep working until 2000.

¶18. (C) Comment. The Socialists' renewed vigor in attempting to undermine the deal is likely rooted in electoral desperation. Recent polls show that the party would have trouble passing the three-percent barrier to get into a new Rada, with many former Socialist voters turned off by Moroz's decision to form a coalition with Regions and the Communists.

BYuT MP Shevchenko told us that there had been a deal on the table May 26, just prior to the May 27 agreement on early elections, for Regions and the Socialists to form a joint party list, with Regions giving the Socialists 22 slots of the first 180 and ranking Moroz high on the list, but as of May 31 the deal was off, leaving Moroz few other options besides a rear guard fight.

¶19. (C) Comment ctd. The high level of distrust between Regions and the opposition is also contributing to the Rada's lack of progress. Throughout the morning session, coalition MPs periodically taunted the opposition, demanding they demonstrate their commitment to the May 27 deal by resigning immediately. One BYuT MP responded on the floor by saying that the opposition would not resign until all legislation was completed because they had no faith that the coalition would do anything to maintain the bargain unless the opposition was sitting in the session hall. Privately, BYuT MPs Volynets and Bilorus told us that the opposition had already lost a few MPs who had changed their minds about resigning out of fear that the plan would not work; both MPs remained optimistic that they had enough resignations (151 required) to deny the Rada a quorum. BYuT deputy Vinskiy and OU leader Kyrylenko both reiterated to the press May 31 that the opposition would follow through on its resignation strategy--once all the necessary legislation was adopted. Makeyenko told us that he took the political signal he had been given to fast-track the budget amendments as a sign that the agreement was moving forward, but that he could not say with certainty that Regions had made a final decision on whether to push for the election-related laws to be adopted.

Tsushko as Possible Fall Guy?

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¶10. (SBU) Adding to the sense that the Socialists may end up as the fall guys, BYuT MP Shkil told us that currently hospitalized Interior Minister Tsushko had suffered neither a heart attack nor a poisoning, but was dodging criminal accountability for the use of force at the PGO on May 24. (Note: checking oneself into the hospital is a time-honored way since Soviet times for state officials to avoid recriminations.) According to Shkil, part of the deal between Yushchenko and Yanukovych on resolving the PGO confusion was that the new PG would open criminal proceedings against Tsushko for the May 24 events.

Leaked CC Document Could Be Added Pressure

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¶11. (SBU) News website Glavred May 31 ran a purportedly leaked copy of a May 12 Constitutional Court draft decision--updated May 29--that ruled Yushchenko's April 26 decree dissolving the Rada was unconstitutional. The CC press

service later denied that any such ruling had been drafted. The CC lacked a quorum May 29, including two justices listed on the draft decision, and the CC continued to lack the quorum of 12 on May 31, with at least seven judges absent (either on annual or sick leave).

¶12. (C) Comment. The leak could be another tactic to increase pressure on Yushchenko, by reminding him that the CC is not on his side. It may be worth noting that of the 12 judges who are listed as supporting the decision, three are the judges Yushchenko dismissed, leaving only nine official judges supporting the ruling--one fewer than the ten required.

¶13. (U) Visit Embassy Kyiv's classified website:  
[www.state.sgov.gov/p/eur/kiev](http://www.state.sgov.gov/p/eur/kiev).

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